

HEALTH QUARTERLY STATEMENT

AS OF June 30, 2004

OF THE CONDITION AND AFFAIRS OF THE

Health Plan of Michigan, Inc.

NAIC Group Code

0000

(Current Period)

,

0000

(Prior Period)

NAIC Company Code

52563

Employer's ID Number

38-3253977

Organized under the Laws of

Michigan

,

State of Domicile or Port of Entry

Michigan

Country of Domicile

United States of America

Licensed as business type:

Life, Accident & Health[]

Property/Casualty[]

Hospital, Medical & Dental Service or Indemnity[]

Dental Service Corporation[]

Vision Service Corporation[]

Health Maintenance Organization[X]

Other[]

Is HMO Federally Qualified? Yes[] No[X]

Date Incorporated or Organized

12/31/1995

Date Commenced Business

12/31/1995

Statutory Home Office

17515 W. Nine Mile Road, Suite 650

(Street and Number)

,

Southfield, MI 48075

(City, or Town, State and Zip Code)

Main Administrative Office

17515 W. Nine Mile Road, Suite 650

(Street and Number)

Southfield, MI 48075

(City or Town, State and Zip Code)

(248)557-3700

(Area Code) (Telephone Number)

Mail Address

17515 W.Nine Mile Road, Suite 650

(Street and Number or P.O. Box)

,

Southfield, MI 48075

(City, or Town, State and Zip Code)

Primary Location of Books and Records

Same

(Street and Number)

Same,

(City, or Town, State and Zip Code)

(248)557-3700

(Area Code) (Telephone Number)

Internet Website Address

www.hpmich.com

Statutory Statement Contact

Jon B. Cotton

(Name)

(248)204-6011

(Area Code)(Telephone Number)(Extension)

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(E-Mail Address)

(248)557-4638

(Fax Number)

Policyowner Relations Contact

17515 W. Nine Mile Road, Suite 650

(Street and Number)

Southfield, MI 48075

(City, or Town, State and Zip Code)

(248)557-3700

(Area Code) (Telephone Number)(Extension)

OFFICERS

David B. Cotton M.D., President/CEO

Thomas Lauzon, Secretary/CIO

Janice Torosian, Treasurer/CFO

OTHERS

DIRECTORS OR TRUSTEES

Timothy Beck

Thomas Lauzon

Melanie Shearman

George Ellis

Laura Leege

State of

Michigan

County of

Oakland

ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)

David B. Cotton, M.D.

(Printed Name)

President

(Title)

(Signature)

Thomas Lauzon

(Printed Name)

Secretary

(Title)

(Signature)

Janice Torosian

(Printed Name)

Treasurer

(Title)

Subscribed and sworn to before me this

day of

, 2004

a. Is this an original filing?

b. If no,

1. State the amendment number

2. Date filed

3. Number of pages attached

Yes[X] No[]

(Notary Public Signature)

ASSETS

		Current Statement Date			4
		1	2	3	
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	December 31, Prior Year Net Admitted Assets
1.	Bonds	4,534,222	(74,364)	4,608,586	3,838,957
2.	Stocks:				
2.1	Preferred stocks	432,368	(9,866)	442,234	443,320
2.2	Common stocks				
3.	Mortgage loans on real estate:				
3.1	First liens				
3.2	Other than first liens				
4.	Real estate:				
4.1	Properties occupied by the company (less \$..... encumbrances)	121,322	54,595	66,727	59,146
4.2	Properties held for the production of income (less \$..... encumbrances)	1,144,259		1,144,259	622,104
4.3	Properties held for sale (less \$..... encumbrances)				
5.	Cash (\$.....23,372,365), cash equivalents (\$.....) and short-term investments \$.....)	23,372,365		23,372,365	22,605,542
6.	Contract loans (including \$..... premium notes)				
7.	Other invested assets	2,085,931		2,085,931	1,056,181
8.	Receivable for securities				
9.	Aggregate write-ins for invested assets				
10.	Subtotals, cash and invested assets (Lines 1 to 9)	31,690,467	(29,635)	31,720,102	28,625,250
11.	Investment income due and accrued	35,889		35,889	38,927
12.	Premiums and considerations:				
12.1	Uncollected premiums and agents' balances in the course of collection				
12.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$..... earned but unbilled premiums)				
12.3	Accrued retrospective premiums				
13.	Reinsurance:				
13.1	Amounts recoverable from reinsurers				
13.2	Funds held by or deposited with reinsured companies				
13.3	Other amounts receivable under reinsurance contracts				
14.	Amounts receivable relating to uninsured plans				
15.1	Current federal and foreign income tax recoverable and interest thereon				
15.2	Net deferred tax asset	35,000		35,000	35,000
16.	Guaranty funds receivable or on deposit				
17.	Electronic data processing equipment and software	854,050	248,819	605,231	221,852
18.	Furniture and equipment, including health care delivery assets (\$.....)	163,931	73,769	90,162	94,459
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Receivables from parent, subsidiaries and affiliates				
21.	Health care (\$.....) and other amounts receivable	1,448,752		1,448,752	1,540,228
22.	Other assets nonadmitted				
23.	Aggregate write-ins for other than invested assets	1,068,343	1,040,347	27,996	27,996
24.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	35,296,432	1,333,300	33,963,132	30,583,712
25.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
26.	TOTALS (Lines 24 and 25)	35,296,432	1,333,300	33,963,132	30,583,712
DETAILS OF WRITE-INS					
0901	.....			
0902	.....			
0903	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page				
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				
2301.	Miscellaneous A/R & Deposits	27,996		27,996	27,996
2302.	Acquired Membership Value	997,470	997,470		
2303.	Pre-Paid Expenses	42,877	42,877		
2398.	Summary of remaining write-ins for Line 23 from overflow page				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,068,343	1,040,347	27,996	27,996

LIABILITIES, CAPITAL AND SURPLUS

		Current Period			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$..... reinsurance ceded)	12,949,188		12,949,188	11,310,442
2.	Accrued medical incentive pool and bonus amounts	501,235		501,235	274,691
3.	Unpaid claims adjustment expenses	229,464		229,464	274,141
4.	Aggregate health policy reserves				
5.	Aggregate life policy reserves				
6.	Property/casualty unearned premium reserve				
7.	Aggregate health claim reserves				
8.	Premiums received in advance				
9.	General expenses due or accrued	726,243		726,243	533,982
10.1	Current federal and foreign income tax payable and interest thereon (including \$..... on realized gains (losses))	275,491		275,491	1,850,000
10.2	Net deferred tax liability				
11.	Ceded reinsurance premiums payable				
12.	Amounts withheld or retained for the account of others				
13.	Remittances and items not allocated				
14.	Borrowed money (including \$..... current) and interest thereon \$..... (including \$..... current)				
15.	Amounts due to parent, subsidiaries and affiliates				
16.	Payable for securities				
17.	Funds held under reinsurance treaties with (\$..... authorized reinsurers and \$..... unauthorized reinsurers)				
18.	Reinsurance in unauthorized companies				
19.	Net adjustments in assets and liabilities due to foreign exchange rates				
20.	Liability for amounts held under uninsured accident and health plans				
21.	Aggregate write-ins for other liabilities (including \$..... current)	1,582,905		1,582,905	1,336,623
22.	Total liabilities (Lines 1 to 21)	16,264,526		16,264,526	15,579,879
23.	Common capital stock	X X X	X X X	44,700	44,700
24.	Preferred capital stock	X X X	X X X		
25.	Gross paid in and contributed surplus	X X X	X X X	251,363	251,363
26.	Surplus notes	X X X	X X X		
27.	Aggregate write-ins for other than special surplus funds	X X X	X X X		
28.	Unassigned funds (surplus)	X X X	X X X	17,402,543	14,707,771
29.	Less treasury stock, at cost:				
	29.1 shares common (value included in Line 23 \$.....)	X X X	X X X		
	29.2 shares preferred (value included in Line 24 \$.....)	X X X	X X X		
30.	Total capital and surplus (Lines 23 to 28 minus Line 29)	X X X	X X X	17,698,606	15,003,834
31.	Total liabilities, capital and surplus (Lines 22 and 30)	X X X	X X X	33,963,132	30,583,713
DETAILS OF WRITE-INS					
2101.	Quality Assurance Assessment Fee	1,582,905		1,582,905	1,336,623
2102	.....			
2103	.....			
2198.	Summary of remaining write-ins for Line 21 from overflow page				
2199.	TOTALS (Lines 2101 through 2103 plus 2198) (Line 21 above)	1,582,905		1,582,905	1,336,623
2701	.....	X X X	X X X		
2702	.....	X X X	X X X		
2703	.....	X X X	X X X		
2798.	Summary of remaining write-ins for Line 27 from overflow page	X X X	X X X		
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year To Date		Prior Year To Date
		1 Uncovered	2 Total	3 Total
1.	Member Months	X X X	465,131	310,275
2.	Net premium income (including \$..... non-health premium income)	X X X	69,045,929	41,497,683
3.	Change in unearned premium reserves and reserves for rate credits	X X X		
4.	Fee-for-service (net of \$..... medical expenses)	X X X		
5.	Risk revenue	X X X		
6.	Aggregate write-ins for other health care related revenues	X X X	(3,165,852)	(896,962)
7.	Aggregate write-ins for other non-health revenues	X X X		
8.	Total revenues (Lines 2 to 7)	X X X	65,880,077	40,600,721
Hospital and Medical:				
9.	Hospital/medical benefits		35,264,207	21,775,217
10.	Other professional services		229,660	212,969
11.	Outside referrals		4,703,109	2,496,098
12.	Emergency room and out-of-area		2,501,480	1,337,422
13.	Prescription drugs		11,654,118	7,795,647
14.	Aggregate write-ins for other hospital and medical		9,533	23,504
15.	Incentive pool, withhold adjustments and bonus amounts		650,075	302,903
16.	Subtotal (Lines 9 to 15)		55,012,182	33,943,760
Less:				
17.	Net reinsurance recoveries		41,190	188,496
18.	Total hospital and medical (Lines 16 minus 17)		54,970,992	33,755,264
19.	Non-health claims			
20.	Claims adjustment expenses, including \$..... cost containment expenses		508,268	352,944
21.	General administrative expenses		6,467,396	3,678,081
22.	Increase in reserves for life and accident and health contracts (including \$..... increase in reserves for life only)			
23.	Total underwriting deductions (Lines 18 through 22)		61,946,656	37,786,289
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	3,933,421	2,814,432
25.	Net investment income earned		114,405	99,352
26.	Net realized capital gains (losses)		3,178	
27.	Net investment gains or (losses) (Lines 25 plus 26)		117,583	99,352
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....) (amount charged off \$.....)]			
29.	Aggregate write-ins for other income or expenses		12	506
30.	Net income or (loss) before federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	4,051,016	2,914,290
31.	Federal and foreign income taxes incurred	X X X	1,354,491	989,068
32.	Net income (loss) (Lines 30 minus 31)	X X X	2,696,525	1,925,222
DETAILS OF WRITE-INS				
0601.	Quality Assurance Fee	X X X	(3,165,852)	(896,962)
0602	.....	X X X		
0603	.....	X X X		
0698.	Summary of remaining write-ins for Line 6 from overflow page	X X X		
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X	(3,165,852)	(896,962)
0701	.....	X X X		
0702	.....	X X X		
0703	.....	X X X		
0798.	Summary of remaining write-ins for Line 7 from overflow page	X X X		
0799.	TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X		
1401.	Hearing/Speech devices		9,533	23,504
1402	.....		
1403	.....		
1498.	Summary of remaining write-ins for Line 14 from overflow page			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		9,533	23,504
2901.	Miscellaneous Income - Copying Fees		12	506
2902	.....		
2903	.....		
2998.	Summary of remaining write-ins for Line 29 from overflow page			
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		12	506

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year To Date	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year	15,003,834	8,520,273
GAINS AND LOSSES TO CAPITAL & SURPLUS			
34.	Net income or (loss) from Line 32	2,696,525	7,916,596
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Net unrealized capital gains and losses	48,264	53,995
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		21,000
39.	Change in nonadmitted assets	4,197	8,305
40.	Change in unauthorized reinsurance		
41.	Change in treasury stock		
42.	Change in surplus notes		
43.	Cumulative effect of changes in accounting principles	(54,214)	(16,335)
44.	Capital Changes:		
44.1	Paid in		(5,199)
44.2	Transferred from surplus (Stock Dividend)		
44.3	Transferred to surplus		
45.	Surplus adjustments:		
45.1	Paid in		(29,239)
45.2	Transferred to capital (Stock Dividend)		
45.3	Transferred from capital		
46.	Dividends to stockholders		(750,000)
47.	Aggregate write-ins for gains or (losses) in surplus		(715,562)
48.	Net change in capital and surplus (Lines 34 to 47)	2,694,772	6,483,561
49.	Capital and surplus end of reporting period (Line 33 plus 48)	17,698,606	15,003,834
DETAILS OF WRITE-INS			
4701.	Repurchase of Stock		(715,562)
4702	.....	
4703	.....	
4798.	Summary of remaining write-ins for Line 47 from overflow page		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)		(715,562)

CASH FLOW

		1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations			
1.	Premiums collected net of reinsurance	69,045,929	97,918,564
2.	Net investment income	153,717	145,117
3.	Miscellaneous income	(2,919,570)	(2,233,545)
4.	Total (Lines 1 through 3)	66,280,076	95,830,136
5.	Benefit and loss related payments	53,105,702	70,317,264
6.	Net transfers to Separate, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	6,828,092	8,352,602
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) \$..... net of tax on capital gains (losses)	2,929,000	2,933,724
10.	Total (Lines 5 through 9)	62,862,794	81,603,590
11.	Net cash from operations (Line 4 minus Line 10)	3,417,282	14,226,546
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	223,263	454,772
12.2	Stocks		
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	Total investment proceeds (Lines 12.1 to 12.7)	223,263	454,772
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	1,152,259	4,486,344
13.2	Stocks		444,840
13.3	Mortgage loans		
13.4	Real estate	587,039	630,063
13.5	Other invested assets	1,000,000	1,000,000
13.6	Miscellaneous applications		
13.7	Total investments acquired (Lines 13.1 to 13.6)	2,739,298	6,561,247
14.	Net increase (or decrease) in policy loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Lines 13.7 and 14)	(2,516,035)	(6,106,475)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		(34,438)
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		750,000
16.6	Other cash provided (applied)	(134,424)	(1,366,536)
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	(134,424)	(2,150,974)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
18.	Net change in cash and short-term investments (Lines 11 plus 15 plus 17)	766,823	5,969,097
19.	Cash and short-term investments:		
19.1	Beginning of year	22,605,542	16,636,445
19.2	End of period (Line 18 plus Line 19.1)	23,372,365	22,605,542

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

Description		Amount 1	Amount 2
20.0001		

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	68,568								68,568				
2. First Quarter	77,464								77,464				
3. Second Quarter	83,423								83,423				
4. Third Quarter													
5. Current Year													
6. Current Year Member Months	465,131								465,131				
Total Member Ambulatory Encounters for Period:													
7. Physician	262,217								262,217				
8. Non-Physician	316,211								316,211				
9. Total	578,428								578,428				
10. Hospital Patient Days Incurred	5,702								5,702				
11. Number of Inpatient Admissions	1,675								1,675				
12. Health Premiums Written	69,336,733								69,336,733				
13. Life Premiums Direct													
14. Property/Casualty Premiums Written													
15. Health Premiums Earned	69,045,929								69,045,929				
16. Property/Casualty Premiums Earned													
17. Amount Paid for Provision of Health Care Services ...	53,105,701								53,105,701				
18. Amount Incurred for Provision of Health Care Services	55,012,182								55,012,182				

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims						
1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
Individually Listed Claims Unpaid						
4 D Pharmacy	1,508,843					1,508,843
0199999 Individually Listed Claims Unpaid	1,508,843					1,508,843
0299999 Aggregate Accounts Not Individually Listed - Uncovered						
0399999 Aggregate Accounts Not Individually Listed - Covered	196,593					196,593
0499999 Subtotals	1,705,436					1,705,436
0599999 Unreported claims and other claim reserves						11,243,753
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						12,949,189
0899999 Accrued Medical Incentive Pool And Bonus Amounts						501,235

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1+3)	6 Estimated Claim Reserve and Claim Liability Dec.31 of Prior Year
		1	2	3	4		
		On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec.31 of Prior Year	On Claims Incurred During the Year		
1.	Comprehensive (hospital & medical) .....	.....	.....	.....	.....	.....	.....
2.	Medicare Supplement .....	.....	.....	.....	.....	.....	.....
3.	Dental only .....	.....	.....	.....	.....	.....	.....
4.	Vision only .....	.....	.....	.....	.....	.....	.....
5.	Federal Employees Health Benefits Plan .....	.....	.....	.....	.....	.....	.....
6.	Title XVIII - Medicare .....	.....	.....	.....	.....	.....	.....
7.	Title XIX - Medicaid	11,794,296	40,887,874	264,881	12,684,308	12,059,177	11,310,442
8.	Other health .....	.....	.....	.....	.....	.....	.....
9.	Health subtotal (Lines 1 to 8)	11,794,296	40,887,874	264,881	12,684,308	12,059,177	11,310,442
10.	Other non-health .....	.....	.....	.....	.....	.....	.....
11.	Medical incentive pools, and bonus amounts	406,956	16,575	.....	501,235	406,956	274,691
12.	TOTALS	12,201,252	40,904,449	264,881	13,185,543	12,466,133	11,585,133

Notes to Financial Statement

There have been no material changes since the annual filing.

Note 9 Income Taxes - Sections 9A, 9C.2, and 9D - there is no change to the net deferred tax asset as reported in the annual filing. Section 9F - for calendar year 2004, Health Plan of Michigan, Inc. anticipates filing a consolidated tax return with Caidan Enterprises, Inc., however the election to file a consolidated return has not been made yet.

Note 17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - this note is not applicable to the Company.

GENERAL INTERROGATORIES
(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity implement any significant accounting policy changes which would require disclosure in the Notes to the Financial Statements?

Yes[] No[X]
- 1.2 If yes, explain:
- 2.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 2.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 3.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 3.2 If yes, date of change:
If not previously filed, furnish herewith a certified copy of the instrument as amended.
4. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organization chart

Yes[] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 5.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....

6. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[] N/A[X]
- 7.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2000
- 7.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2000
- 7.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

07/24/2001
- 7.4 By what department or departments?
State of Michigan Office of Financial and Insurance Services
- 8.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes[] No[X]
- 8.2 If yes, give full information
- 9.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 9.2 If response to 9.1 is yes, please identify the name of the bank holding company.
- 9.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 9.4 If response to 9.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

INVESTMENT

- 10.1 Has there been any changes in the reporting entity's own preferred or common stock?

Yes[] No[X]
- 10.2 If yes, explain:
- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$
13. Amount of real estate and mortgages held in short-term investments:

\$
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]
- 14.2 If yes, please complete the following:

GENERAL INTERROGATORIES (Continued)

		1	2
		Prior Year-End Statement Value	Current Quarter Statement Value
14.21	Bonds .....	.....	.....
14.22	Preferred Stock .....	.....	.....
14.23	Common Stock .....	.....	.....
14.24	Short-Term Investments .....	.....	.....
14.25	Mortgages, Loans or Real Estate .....	.....	.....
14.26	All Other .....	.....	.....
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) .....	.....	.....
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above .....	.....	.....
14.29	Receivable from Parent not included in Lines 14.21 to 14.26 above .....	.....	.....

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes[] No[X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[] N/A[X]
16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity’s offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV, H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[]
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Schwab Institutional	1958 Summit Park Place, Orlando, FL 32810

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?

Yes[] No[X]
- 16.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
123286	Roble Asset Management Company	5700 Corporate Drive, Pittsburgh, PA 15237

SCHEDULE A - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value, December 31 of prior year	691,688	80,403
2.	Increase (decrease) by adjustment	(13,147)	(18,778)
3.	Cost of acquired	522,154	622,104
4.	Cost of additions to and permanent improvements	64,885	7,960
5.	Total profit (loss) on sales		
6.	Increase (decrease) by foreign exchange adjustment		
7.	Amount received on sales		
8.	Book/adjusted carrying value at end of current period	1,265,579	691,688
9.	Total valuation allowance		
10.	Subtotal (Lines 8 plus 9)	1,265,579	691,688
11.	Total nonadmitted amounts	54,595	10,438
12.	Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	1,210,985	681,250

SCHEDULE B - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year		
2.	Amount loaned during period:		
2.1	Actual cost at time of acquisitions		
2.2	Additional investment made after acquisitions		
3.	Accrual of discount and mortgage interest points and commitment fees		
4.	Increase (decrease) by adjustment		
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period		
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)		
12.	Total nonadmitted amounts		
13.	Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)		

SCHEDULE BA - VERIFICATION
Other Invested Assets Included in Schedule BA

		1	2
Description		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	1,056,181	
2.	Cost of acquisitions during period:		
2.1	Actual cost at time of acquisitions	1,000,000	1,000,000
2.2	Additional investment made after acquisitions		
3.	Accrual of discount		
4.	Increase (decrease) by adjustment	29,750	56,181
5.	Total profit (loss) on sale		
6.	Amounts paid on account or in full during the period		
7.	Amortization of premium		
8.	Increase (decrease) by foreign exchange adjustment		
9.	Book/adjusted carrying value of long-term invested assets at end of current period	2,085,931	1,056,181
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)	2,085,931	1,056,181
12.	Total nonadmitted amounts		
13.	Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	2,085,931	1,056,181

SCHEDULE D - VERIFICATION

		1	2
		Year To Date	Prior Year Ended December 31
1.	Book/adjusted carrying value of bonds and stocks, December 31 of prior year	4,282,277	
2.	Cost of bonds and stocks acquired	1,152,259	4,931,184
3.	Accrual of discount	748	
4.	Increase (decrease) by adjustment	(127,357)	(194,135)
5.	Increase (decrease) by foreign exchange adjustment		
6.	Total profit (loss) on disposal	3,178	
7.	Consideration for bonds and stocks disposed of	223,263	454,772
8.	Amortization of premium	37,022	
9.	Book/adjusted carrying value, current period	5,050,820	4,282,277
10.	Total valuation allowance		
11.	Subtotal (Lines 9 plus 10)	5,050,820	4,282,277
12.	Total nonadmitted amounts	(84,230)	6,594
13.	Statement value	5,135,050	4,275,683

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	4,570,501	134,965		(96,880)	4,570,501	4,608,586		3,838,957
2. Class 2								
3. Class 3								
4. Class 4								
5. Class 5								
6. Class 6								
7. TOTAL Bonds	4,570,501	134,965		(96,880)	4,570,501	4,608,586		3,838,957
PREFERRED STOCK								
8. Class 1	376,591			(305)	376,591	376,286		377,000
9. Class 2	66,129			(181)	66,129	65,948		66,320
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. TOTAL Preferred Stock	442,720			(486)	442,720	442,234		443,320
15. TOTAL Bonds & Preferred Stock	5,013,221	134,965		(97,366)	5,013,221	5,050,820		4,282,277

14 Schedule DA Part 1 - NONE

14 Schedule DA Part 2 Verification - NONE

15 Schedule DB Part F Section 1 - NONE

16 Schedule DB Part F Section 2 - NONE

SCHEDULE S - CEDED REINSURANCE
Showing all new reinsurers-Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Name of Reinsurer	4 Location	5 Is Insurer Authorized? (Yes or No)
Accident and health - non-affiliates				
67105	41-0451140	RELIASTAR LIFE INS CO	Minneapolis, Minnesota .....	..... Yes[X] No[]

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS
Allocated by States and Territories

		1 Guaranty Fund (Yes or No)	2 Is Insurer Licensed (Yes or No)	Direct Business Only Year-to-Date					
				3 Accident and Health Premiums	4 Medicare Title XVIII	5 Medicaid Title XIX	6 Federal Employees Health Benefits Program Premiums	7 Life and Annuity Premiums and Deposit-Type Contract Funds	8 Property/ Casualty Premiums
State, Etc.									
1.	Alabama (AL)	No ..	No ..						
2.	Alaska (AK)	No ..	No ..						
3.	Arizona (AZ)	No ..	No ..						
4.	Arkansas (AR)	No ..	No ..						
5.	California (CA)	No ..	No ..						
6.	Colorado (CO)	No ..	No ..						
7.	Connecticut (CT)	No ..	No ..						
8.	Delaware (DE)	No ..	No ..						
9.	District of Columbia (DC)	No ..	No ..						
10.	Florida (FL)	No ..	No ..						
11.	Georgia (GA)	No ..	No ..						
12.	Hawaii (HI)	No ..	No ..						
13.	Idaho (ID)	No ..	No ..						
14.	Illinois (IL)	No ..	No ..						
15.	Indiana (IN)	No ..	No ..						
16.	Iowa (IA)	No ..	No ..						
17.	Kansas (KS)	No ..	No ..						
18.	Kentucky (KY)	No ..	No ..						
19.	Louisiana (LA)	No ..	No ..						
20.	Maine (ME)	No ..	No ..						
21.	Maryland (MD)	No ..	No ..						
22.	Massachusetts (MA)	No ..	No ..						
23.	Michigan (MI)	No ..	Yes ..			69,336,733			
24.	Minnesota (MN)	No ..	No ..						
25.	Mississippi (MS)	No ..	No ..						
26.	Missouri (MO)	No ..	No ..						
27.	Montana (MT)	No ..	No ..						
28.	Nebraska (NE)	No ..	No ..						
29.	Nevada (NV)	No ..	No ..						
30.	New Hampshire (NH)	No ..	No ..						
31.	New Jersey (NJ)	No ..	No ..						
32.	New Mexico (NM)	No ..	No ..						
33.	New York (NY)	No ..	No ..						
34.	North Carolina (NC)	No ..	No ..						
35.	North Dakota (ND)	No ..	No ..						
36.	Ohio (OH)	No ..	No ..						
37.	Oklahoma (OK)	No ..	No ..						
38.	Oregon (OR)	No ..	No ..						
39.	Pennsylvania (PA)	No ..	No ..						
40.	Rhode Island (RI)	No ..	No ..						
41.	South Carolina (SC)	No ..	No ..						
42.	South Dakota (SD)	No ..	No ..						
43.	Tennessee (TN)	No ..	No ..						
44.	Texas (TX)	No ..	No ..						
45.	Utah (UT)	No ..	No ..						
46.	Vermont (VT)	No ..	No ..						
47.	Virginia (VA)	No ..	No ..						
48.	Washington (WA)	No ..	No ..						
49.	West Virginia (WV)	No ..	No ..						
50.	Wisconsin (WI)	No ..	No ..						
51.	Wyoming (WY)	No ..	No ..						
52.	American Samoa (AS)	No ..	No ..						
53.	Guam (GU)	No ..	No ..						
54.	Puerto Rico (PR)	No ..	No ..						
55.	U.S. Virgin Islands (VI)	No ..	No ..						
56.	Canada (CN)	No ..	No ..						
57.	Aggregate other alien (OT)	X X X ..	X X X ..						
58.	TOTAL (Direct Business)	X X X ..	(a)..... 1			69,336,733			
DETAILS OF WRITE-INS									
5701	.....	X X X ..	X X X ..						
5702	.....	X X X ..	X X X ..						
5703	.....	X X X ..	X X X ..						
5798.	Summary of remaining write-ins for Line 57 from overflow page	X X X ..	X X X ..						
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)	X X X ..	X X X ..						

(a) Insert the number of yes responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

Caidan Enterprises, Inc. (Federal Employer Identification # 52-2422207)

Organization Governance and Ownership Structure:
Equity Shareholders

Shareholders at June 30, 2004:

D. Cotton, M.D.	64.2%
J. Cotton	10%
S. Cotton	10%
M. Cotton	10%
T. Lauzon	5.8%
	100%

Health Plan of Michigan, Inc. (MI; NAIC # 52563; Federal Employer Identification # 38-3253977)

Organization Governance and Ownership Structure:

Equity Shareholders
Board of Directors

19 Shareholders at June 30, 2004:
Caidan Enterprises, Inc. 100%

Health Management, Inc. (common ownership with Caidan Enterprises, Inc. majority stockholder)
(Federal Employer Identification # 38-3360283)

Shareholders at June 30, 2004:

D. Cotton, M.D.	100%
-----------------	------

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

1. Will the SVO Compliance Certification be filed with this statement?

RESPONSES

Yes

Explanation:

Bar Code:

OVERFLOW PAGE FOR WRITE-INS

SCHEDULE A - PART 2
Showing all Real Estate ACQUIRED During the Current Quarter

1 Description of Property	Location		4	5	6	7	8	9
	2	3						
	City	State						
			Date Acquired	Name of Vendor	Actual Cost	Amount of Encumbrances	Book/Adjusted Carrying Value Less Encumbrances	Expended for Additions and Permanent Improvements
Aquired by Purchase								
Leasehold Improvements	Southfield	MI	04/30/2004 .	Aureus Properties	25,432			25,432
Leasehold Improvements	Southfield	MI	05/31/2004 .	Aureus Properties	15,971			15,971
Leasehold Improvements	Southfield	MI	05/31/2004 .	Aureus Properties	7,619			7,619
Leasehold Improvements	Southfield	MI	05/31/2004 .	Aureus Properties	1,490			1,490
Leasehold Improvements	Southfield	MI	06/30/2004 .	Aureus Properties	5,562			5,562
Leasehold Improvements	Southfield	MI	06/30/2004 .	Aureus Properties	1,137			1,137
Leasehold Improvements	Southfield	MI	06/30/2004 .	Aureus Properties	1,689			1,689
2655 Guoin, warehouse/office, rental income	Detroit	MI	06/30/2004 .	Vander Corp	522,154		522,154	
0199999 Subtotal - Aquired by Purchase					581,055		522,154	58,900
9999999 Totals					581,055		522,154	58,900

SCHEDULE A - PART 3
Showing all Real Estate SOLD during the Quarter, including Payments during the Final Year on "Sales under Contract"

1 Description of Property	Location		4 Disposal Date	5 Name of Purchaser	6 Actual Cost	7	8	9 Expended for Additions, Permanent Improvements and Changes in Encumbrances	10 Book/Adjusted Carrying Value Less Encumbrances	11 Amounts Received	12 Foreign Exchange Profit (Loss) on Sale	13 Realized Profit (Loss) on Sale	14 Total Profit (Loss) on Sale	15 Gross Income Earned Less Interest Incurred on Encumbrances	16 Taxes, Repairs and Expenses Incurred
	2 City	3 State				Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment								
					NONE										
9999999 Totals															

E02 Schedule B Part 1 - NONE

E02 Schedule B Part 2 - NONE

E03 Schedule BA Part 1 - NONE

E03 Schedule BA Part 2 - NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - Industrial and Miscellaneous									
046003FF1	Assoc Corp N A Senior Note .....	.....	..... 06/28/2004	Mellon Financial .....	..... X X X .....	..... 135,348 .....	..... 130,000.00 .....	..... 383	1FE
4599999 Subtotal - Bonds - Industrial and Miscellaneous .....					..... X X X .....	..... 135,348 .....	..... 130,000.00 .....	..... 383 .....	..... X X X
6099997 Subtotal - Bonds - Part 3 .....					..... X X X .....	..... 135,348 .....	..... 130,000.00 .....	..... 383 .....	..... X X X
6099998 Summary Item for Bonds Bought and Sold This Quarter .....					..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X
6099999 Subtotal - Bonds .....					..... X X X .....	..... 135,348 .....	..... 130,000.00 .....	..... 383 .....	..... X X X
6599998 Summary Item for Preferred Stock Bought and Sold This Quarter .....					..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X
7299998 Summary Item for Common Stock Bought and Sold This Quarter .....					..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X
7399999 Subtotal - Preferred and Common Stock .....					..... X X X .....	..... X X X .....	..... X X X .....	..... X X X .....	..... X X X
7499999 Total - Bonds, Preferred and Common Stock .....					..... X X X .....	..... 135,348 .....	..... X X X .....	..... 383 .....	..... X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

E05 Schedule D Part 4 - NONE

E06 Schedule DB Part A Section 1 - NONE

E06 Schedule DB Part B Section 1 - NONE

E07 Schedule DB Part C Section 1 - NONE

E07 Schedule DB Part D Section 1 - NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances										
1			2	3	4	5	Book Balance at End of Each Month			9
							During Current Quarter			
					Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	
Depository			Code	Rate of Interest			First Month	Second Month	Third Month	*
open depositories										
Comerica Bank, Grosse Pte. Woods, MI	Cash Concentration Accounts				5,723		4,755,332	4,202,091	4,204,015	X X X
Schwab, New York, NY	Schwab Muni Money Fund				56,992		60,767	104,738	9,215	X X X
Credit Suisse 1st Boston, New York, NY	Credit Suisse Money Mkt						144			X X X
Comerica Bank, Grosse Pte. Woods, MI	Business Indexed Money Market Account				2,621		1,053,995	1,054,867	1,055,722	X X X
Standard Federal Bank, Troy MI	Concentration Account				36,425		15,522,321	19,787,279	18,103,127	X X X
0199998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories ..			X X X	X X X						X X X
0199999 Totals - Open Depositories			X X X	X X X	101,761		21,392,560	25,148,976	23,372,078	X X X
0299998 Deposits in depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories			X X X	X X X						X X X
0299999 Totals - Suspended Depositories			X X X	X X X						X X X
0399999 Total Cash On Deposit			X X X	X X X	101,761		21,392,560	25,148,976	23,372,078	X X X
0499999 Cash in Company's Office			X X X	X X X	X X X	X X X	287	287	287	X X X
0599999 Total Cash			X X X	X X X	101,761		21,392,847	25,149,263	23,372,365	X X X

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